



June 17, 2010

Honorable Judge Shelly C. Chapman  
United States Bankruptcy Court  
Southern District of New York  
One Bowling Green  
New York, NY 10004

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Re: Bankruptcy Estate of Russell Restaurant Group LLC  
Chapter 7 Case No.: 04-14738 (SCC)

Dear Judge Chapman:

This letter is to provide the Court with an update as to the status of the above referenced case.

The Trustee is prosecuting an objection to an administrative expense claim filed by the pre-petition landlord, Michael Ring, Frank Ring, *et. al* (the "Landlord"). Although the claim appears to lack merit, the Landlord has refused to engage in substantive settlement discussions and to date, all offers from the Trustee were rejected. Moreover, the Landlord has refused to make any counter offer.

Trustee's counsel is familiar with the Landlord from another bankruptcy case and has first hand experience that the Landlord is very litigious and averse to settlement of any kind, regardless of the merits. The Trustee will continue to work with the Landlord's counsel in an attempt to resolve the claim consensually, but it appears doubtful that settlement will occur, despite attempts of counsel.

Discovery is presently being conducted. A status conference is scheduled before the Court on June 30, 2010.

Please feel free to contact me at any time with any questions you may have.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Schuyler G. Carroll".

Schuyler G. Carroll

cc: Michael Del Lago (counsel to Michael Ring, et. al)

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